Nadeau & Associé

COMPTABLES AGRÉÉS — CHARTERED ACCOUNTANTS

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TOWN OF GRAND FALLS INC.

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

TOWN OF GRAND FALLS INC.

FINANCIAL STATEMENTS AND
AUDITORS' REPORT

DECEMBER 31, 1985

AUDITORS' REPORT 1

FINANCIAL STATEMENTS

Statement of revenue and expenditure - general operating fund 2

Statement of revenue and expenditure - water and sewerage operating fund 3

Balance sheet - general operating fund 4

Balance sheet - water and sewerage operating fund 5

Balance sheet - general capital fund 6

Balance sheet - water and sewerage utility capital fund 7

Balance sheet - electricity capital fund 8

Notes to the financial statements 9 - 26

SUPPLEMENTARY FINANCIAL INFORMATION

Additional comments of auditors 27

Supplementary financial information - general operating fund 28 - 31

Supplementary financial information - water and sewerage operating fund 32 - 33

AUDITORS' REPORT

TO THE MAYOR, COUNCILLORS OF
THE TOWN OF GARND FALLS INC.
AND TO THE MINISTER OF MUNICIPAL AFFAIRS
PROVINCE OF NEW BRUNSWICK

We have examined the following financial statements of the Town of Grand Falls Inc.:

for the year ended December 31, 1985

Statement of revenue and expenditure - general operating fund
Statement of revenue and expenditure - water and sewerage operating fund

as at December 31, 1985

Balance sheet - general operating fund
Balance sheet - water and sewerage operating fund
Balance sheet - general capital fund
Balance sheet - water and sewerage capital fund
Balance sheet - electricity capital fund

Our examination was made in accordance with generally accepted audited standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the results of operations of the Town of Grand Falls Inc. for the year ended December 31, 1385 and its financial position at that date in accordance with generally accepted accounting principles and particular practices of funds accounting, applied on a basis consistent with that of the preceding year.

Nadeau & Associé.
Chartered Accountants

Grand Falls, N.B.
March 7, 1986

TOWN OF GRAND FALLS INC.

GENERAL OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
REVENUE		
Warrant	$ 1,165,991	$ 1,165,991
Unconditional transfer	898,914	898,914
Non-tax revenue (Page 28)	331,029	206,254
	2,395,934	2,271,159
EXPENDITURE		
General government services (Page 29)	270,171	255,589
Protective services (Page 29)	707,432	666,896
Transportation services (Page 30)	600,087	608,992
Environmental health services administration:		
Personnel	13,602	16,989
Environmental development services (Page 30)	161,438	94,878
Recreational and cultural service (Page 30)	256,974	247,710
Fiscal services (Page 31)	382,344	379,411
Deficit of second previous year	694	694
	2,392,742	2,271,159
NET SURPLUS FOR THE YEAR	$ 3,192	$ -

TOWN OF GRAND FALLS INC.

WATER AND SEWERAGE OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
REVENUE		
Sale of services (Page 32)	$ 338,959	$ 340,555
Other revenue from own sources (Page 32)	78,220	54,500
Conditional transfers (Page 32)	101,421	102,429
	518,600	497,484
EXPENDITURE		
Environment health services		
Water supply (Page 33)	188,358	150,880
Sewerage collection and disposal (Page 33)	109,237	104,750
Fiscal services		
Water system debt charges (Page 33)	90,485	99,771
Sewerage system debt charges (Page 33)	112,273	112,185
Other		
Discounts	22,049	22,000
Bad debts	-	3,000
Deficit of second previous year	4,898	4,898
	527,300	497,484
NET DEFICIT FOR THE YEAR	$ 8,700	$ -

TOWN OF GRAND FALLS INC.

GENERAL OPERATING FUND

BALANCE SHEET
YEAR ENDED DECEMBER 31, 1985

	1985	1984
ASSETS		
Cash	$ 179,698	$ 130,670
Accounts and taxes receivable (Note 2a)	53,822	14,695
Inventories	30,569	28,835
Prepaid expenses	10,464	12,653
	$ 274,553	$ 186,853
LIABILITIES AND ACCUMULATED SURPLUS		
LIABILITIES		
Bank loan	$ 3,500	$ -
Accounts payable and accrued expenses (Note 3)	59,415	83,537
Reserve for recreational facilities	3,300	3,300
Due to water and sewerage capital fund	54,404	33,929
Due to electricity capital fund	24,362	27,888
Due to water and sewerage operating fund	40,104	-
Due to general capital fund	84,296	36,913
	269,381	185,567
ACCUMULATED SURPLUS		
Balance at beginning of year	1,286	2,856
Net surplus (deficit) for the year (Page 2)	3,192	1,980
Deficit (Surplus) from second previous year	694	(3,550)
Balance at end of year	5,172	1,286
	$ 274,553	$ 186,853

TOWN OF GRAND FALLS INC.

WATER AND SEWERAGE OPERATING FUND

BALANCE SHEET
AS AT DECEMBER 31, 1985

	1985	1984
ASSETS		
Stimulation grant receivable	$ -	$ 40,000
Accounts and taxes receivable (Note 2b)	57,787	51,990
Due from general operating fund	40,104	-
Inventories	25,745	32,327
Prepaid expenses	658	659
	$ 124,294	$ 124,976
LIABILITIES AND ACCUMULATED DEFICIT		
LIABILITIES		
Bank overdraft	$ 66,914	$ 22,839
Accounts payable and accrued expenses	20,495	61,450
Due to electricity capital fund	54,661	54,661
	142,070	138,950
ACCUMULATED DEFICIT		
Balance at beginning of year	(13,974)	(4,898)
Net deficit for the year (Page 3)	(8,700) ✓	(9,076)
- Deficit from second previous year	4,898	-
Balance at end of year	17,776	13,974
	$ 124,294	$ 124,976

TOWN OF GRAND FALLS INC.

GENERAL CAPITAL FUND

BALANCE SHEET
AS AT DECEMBER 31, 1985

	1985	1984
ASSETS		
Due from general operating fund	$ 84,296	$ 36,913
Fixed assets (Note 4a)		
General government	103,038	103,038
Protective services	383,945	324,101
Transportation services	3,476,602	3,153,906
Environmental health services	172,243	172,243
Environmental development services	2,046,239	2,038,282
Recreational and cultural services	539,734	539,734
	6,721,801	6,331,304
	$ 6,806,097	$ 6,368,217
LIABILITIES AND EQUITY		
LIABILITIES		
Deferred Grant - Arena Project	$ 12,500	$ -
Due to the Province of N.B. - (Note 5)	40,000	-
Due to Roy Lease Ltd. (Note 6)	15,960	25,092
Serial debentures payable (Note 7)	1,936,368	1,821,693
	2,004,828	1,846,785
EQUITY		
Balance at beginning of year	4,521,432	2,447,270
Debentures redeemed during the year	185,323	170,042
Capital lease payment	9,132	2,356
Capital expenditures provided out of general operating fund	39,095	29,773
Sales of lots	17,153	-
Stimulation grant	29,134	-
Grant - Department of Tourism of N.B.	-	1,795,272
Grant - Canada Works project	-	75,689
Grant - Grand Falls and Gorge Commission	-	1,030
Balance at end of year	4,801,269	4,521,432
	$ 6,806,097	$ 6,368,217

TOWN OF GRAND FALLS INC.

WATER AND SEWERAGE CAPITAL FUND

BALANCE SHEET
AS AT DECEMBER 31, 1985

	1985	1984
ASSETS		
Due from general operating fund	$ 54,403	$ 33,929
Fixed assets (Note 4b)		
Water supply	1,850,199	1,806,807
Sewerage collection and disposal	1,167,523	1,157,909
	3,017,722	2,964,716
	$ 3,072,125	$ 2,998,645
LIABILITIES AND EQUITY		
LIABILITIES		
Serial debenture payable (Note 8)	$ 661,459	$ 676,439
Long term debts - Central Mortgage and Corporation (Note 10)	375,093	399,498
	1,036,552	1,075,937
EQUITY		
Balance at beginning of year	1,922,708	1,759,785
Debentures redeemed during the year	67,980	61,459
Repayment of loan - C.M.H.C.	24,405	22,665
Stimulation grant	10,866	40,000
Capital expenditures provided out of revenue	-	26,679
Pollution control grant	9,614	12,120
Balance at end of year	2,035,573	1,922,708
	$ 3,072,125	$ 2,998,645

TOWN OF GRAND FALLS INC.

ELECTRICITY CAPITAL FUND

BALANCE SHEET
AS AT DECEMBER 31, 1985

	1985	1984
ASSETS		
Due from general operating fund	$ 24,362	$ 27,888
Due from water and sewerage operating fund	54,661	54,661
	$ 79,023	$ 82,549
LIABILITIES AND EQUITY		
LIABILITY		
Serial debenture payable (Note 9)	$ 6,072	$ 8,970
EQUITY		
Balance at beginning	73,579	74,410
Interest on debenture	628	831
Balance at end of year	72,951	73,579
	$ 79,023	$ 82,549

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories are valued at the lower of cost using the first in, first out (FIFO) method and the net realizable value.

2. ACCOUNTS AND TAXES RECEIVABLE

	1985	1984
a) General Operating Fund		
Stimulation Grant	$ 40,000	$ -
General receivable	9,624	9,796
Leases - lot	158	146
Miscellaneous	1,958	2,671
Taxes receivable	12,738	12,738
	64,478	25,351
Provision for uncollectible taxes	10,656	10,656
	$ 53,822	$ 14,695
b) Water and Sewerage Operating Fund		
Water rates receivable	$ 40,229	$ 39,870
Other	49,880	47,114
	90,109	86,984
Provision for doubtful accounts	32,322	34,994
	$ 57,787	$ 51,990

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

General Operating Fund		
Suppliers	$ 41,173	$ 38,247
Deductions at source on salaries	-	28,368
Accrued payroll	12,242	7,925
Accrued expenses	6,000	8,997
	$ 59,415	$ 83,537

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

	1985	1984
4. FIXED ASSETS - AT COST		
a) GENERAL CAPITAL FUND		
General Government		
Land	$ 622	$ 622
Building	33,061	33,061
Machinery and equipment	69,355	69,355
	$ 103,038	$ 103,038
Protective Services		
Police		
Building	$ 50,000	$ -
Machinery and equipment	58,970	52,119
	108,970	52,119
Fire		
Building	84,405	84,405
Machinery and equipment	190,570	187,577
	274,975	271,982
	$ 383,945	$ 324,101
Transportation Services		
Land	$ 14,000	$ 14,000
Building	119,002	116,330
Engineering structures	2,796,196	2,494,100
Machinery and equipment	547,404	529,476
	$ 3,476,602	$ 3,153,906
Environmental Health Services		
Land	$ 4,150	$ 4,150
Building	2,589	2,589
Engineering structures	165,504	165,504
	$ 172,243	$ 172,243

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

	1985	1984
4. FIXED ASSETS - AT COST (Continued...)		
Environemental Development Services		
Housing - Land	$ 11,130	$ 11,130
Industrial Parks - Land	101,203	93,246
Others		
Land	460,494	460,494
Building	1,258,298	1,258,298
Engineering structures	97,992	97,992
Machinery and equipment	117,122	117,122
	$ 2,046,239	$ 2,038,282
Recreational		
Land	$ 50,858	$ 50,858
Building	470,202	470,202
Machinery and equipment	18,674	18,674
	$ 539,734	$ 539,734
b) WATER AND SEWERAGE CAPITAL FUND		
Water Supply		
Land	$ 5,000	$ 5,000
Building	16,873	16,873
Engineering structures	1,756,203	1,719,631
Machinery and equipment	72,123	65,303
	$ 1,850,199	$ 1,806,807
Sewerage Collection and Disposal		
Engineering structures	$ 1,167,523	$ 1,157,909

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

	1985	1984
5. Loan - Police Building - Province of New Brusnwick - $50,000 - dated July 5, 1985 - repayable in 15 annually instalment of $10,000 on capital, last instalment due July 1990.	$ 40,000	$ -

6. OBLIGATION RELATING TO A LEASING - PURCHASING AGREEMENT

Computer Lease - Roy Lease Ltd. - $29,741 - repayable in 60 equal monthly instalments of $591.78 including capital and interest plus sales tax. The option to purchase after 60 instalments is equal to 10% of original cost or 4 equal monthly instalments of $591.31.	$ 15,960	$ 25,092

7. SERIAL DEBENTURES PAYABLE - GENERAL CAPITAL FUND

Purpose

a) Water, Sewerage Services, Fire Station, Street Paving, Tractor Truck, Arena, Electricity, Water and Sewerage, Processing Plant and Pollution Project

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1967	7%	10/16/86	16,726.60		
		10/16/87	16,726.60	$ 33,453	$ 49,420

Purpose

b) Public Works for Street Paving and Arena for Equipment

1968	7 3/4%	11/15/86	6,000.00		
		11/15/87	6,000.00		
		11/15/88	6,500.00	18,500	24,000

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

7. SERIAL DEBENTURES PAYABLE - GENERAL CAPITAL FUND (Continued...)

Purpose

c) Water and Sewerage Sevices, Land for Industrial Park, General Public Works, Street Paving, Land and Truck (A portion of this debenture was cancelled and replaced by one certificate on October 15, 1981 for $111,375)

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1972	8 1/2%	10/15/86	7,562.50		
		10/15/87	9,625.00		
		10/15/88	9,625.00		
		10/15/89	10,312.50		
		10/15/90	6,875.00	$ 44,000	$ 51,563

Purpose

d) Certificate issued on October 15, 1981

1981	8 1/2%	10/15/86	8,250.00		
		10/15/87	7,562.50		
		10/15/88	9,625.00		
		10/15/89	10,312.50		
		10/15/90	15,812.50		
		10/15/91	24,062.50		
		10/15/92	26,125.00	101,750	109,312

Purpose

e) General, Public Works, Water and Sewerage, General Equipment (A portion of this debenture was cancelled and replace by one certificate on October 1, 1981 for $164,289.60)

1975	9 1/2%	04/01/86	7,606.00		
		04/01/87	7,606.00		
		04/01/92	2,281.80		
		04/01/94	6,845.40	24,339	35,748

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

7. SERIAL DEBENTURES PAYABLE - GENERAL CAPITAL FUND (Continued...)

Purpose

f) Certificate issued on October 1, 1981

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1981	9 1/2%	04/01/86	5,324.20		
		04/01/87	6,084.80		
		04/01/88	15,212.00		
		04/01/89	16,733.20		
		04/01/90	18,254.40		
		04/01/91	19,015.00		
		04/01/92	19,015.00		
		04/01/93	22,818.00		
		04/01/94	17,493.80		
		04/01/95	24,339.20	164,290	164,290

Purpose

g) Paving of Streets, Purchase of Land, Buildings, Fire Truck and Machinery

1976	10 1/2%	08/01/86	25,000.00		
	10 3/4%	08/01/87	28,000.00		
		08/01/88	31,000.00		
		08/01/89	34,000.00		
		08/01/90	37,000.00		
		08/01/91	39,000.00	194,000	217,000

Purpose

h) Paving of Streets, Purchase of Land, Buildings, Fire Trucks and Machinery (This debenture was issued under one certificate on July 1, 1976 for $67,500)

1976	10 1/2%	07/01/86	9,500.00	9,500	18,000

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

7. SERIAL DEBENTURES PAYABLE - GENERAL CAPITAL FUND (Continued...)

Purpose

i) Purchase of Building and Land, General Public Works, Purchase of Equipment

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1977	9 1/4%	10/01/86	20,428.57		
		10/01/87	22,285.71		
	9 3/4%	10/01/88	24,142.85		
		10/01/89	26,619.04		
		10/01/90	29,095.23		
		10/01/91	32,190.47		
		10/01/92	32,809.51	187,571	206,144

Purpose

j) General Public Works, Contingencies, Recreation and Equipment (This debenture was issued under one certificate on September 11, 1978 for $355,000)

1978	10%	09/01/86	44,000.00		
		09/01/87	48,000.00		
		09/01/88	51,000.00	143,000	183,000

Purpose

k) General Pulbic Works, Land Recreation and Equipment (This debenture was issued under one certificate on April 1, 1982 for $100,000)

1981	15%	04/01/86	3,500.00		
		04/01/87	4,000.00		
		04/01/88	5,000.00		
		04/01/89	5,500.00		
		04/01/90	6,500.00		
		04/01/91	7,500.00		
		04/01/92	8,500.00		
		04/01/93	9,500.00		
		04/01/94	11,000.00		
		04/01/95	13,000.00		
		04/01/96	15,500.00	89,500	92,500

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

7. SERIAL DEBENTURES PAYABLE - GENERAL CAPITAL FUND (Continued...)

Purpose

l) Recreatoinal Facilities and General Public Works (This debenture was issued under one certificate on September 28, 1979 for $150,000

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1979	11 1/4%	09/26/86	8,157.10		
		09/26/87	9,063.44		
		09/26/88	9,969.80		
		09/26/89	11,329.31		
		09/26/90	12,235.65		
		09/26/91	14,048.34		
		09/26/92	15,407.86		
		09/26/93	17,220.55		
		09/26/94	19,033.26	116,465	123,716

Purpose

m) General Public Works, Recreation and Fire Equipment (This debenture was issued under one certificate on August 15, 1980 for $230,000)

1980	12 1/2%	08/15/86	13,000.00		
		08/15/87	15,000.00		
		08/15/88	17,000.00		
		08/15/89	19,000.00		
		08/15/90	21,000.00		
		08/15/91	15,000.00		
		08/15/92	17,000.00		
		08/15/93	19,000.00		
		08/15/94	21,000.00		
		08/15/95	24,000.00	181,000	193,000

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

7. SERIAL DEBENTURES PAYABLE - GENERAL CAPITAL FUND (Continued...)

Purpose

n) General Public Works, Street repairs and Paving

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1982	17 1/2%	04/30/86	7,000.00		
		04/30/87	8,000.00		
		04/30/88	10,000.00		
		04/30/89	12,000.00		
		04/30/90	14,000.00		
		04/30/91	16,000.00		
		04/30/92	18,000.00	85,000	91,000

Purpose

o) General Public Works & Building

1983	10 3/4%	12/15/86	11,000.00		
	11%	12/15/87	12,000.00		
		12/15/88	14,000.00		
	11 1/4%	12/15/89	15,000.00		
	11 1/2%	12/15/90	17,000.00		
	11 3/4%	12/15/91	19,000.00		
		12/15/92	21,000.00		
	12%	12/15/93	22,000.00	131,000	141,000

Purpose

p) Buildings and General Public Works

1983	10 3/4%	05/16/86	10,000.00		
		05/16/87	10,000.00		
		05/16/88	12,000.00		
	11 1/2%	05/16/89	13,000.00		
		05/16/90	14,000.00		
		05/16/91	16,000.00		
		05/16/92	18,000.00		
		05/16/93	20,000.00	113,000	122,000

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

7. SERIAL DEBENTURES PAYABLE - GENERAL CAPITAL FUND (Continued...)

Purpose

q) Recreational Facilities and General Public Works (This debenture was issued under one certificate on November 27, 1985 for $300,000)

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1985	9 %	11/27/86	19,000.00		
	9 1/2%	11/27/87	21,000.00		
	9 3/4%	11/27/88	23,000.00		
	10%	11/27/89	25,000.00		
	10 1/4%	11/27/90	27,000.00		
		11/27/91	30,000.00		
	10 1/2%	11/27/92	33,000.00		
		11/27/93	37,000.00		
		11/27/94	40,000.00		
	10 3/4%	11/27/95	45,000.00	300,000	-
				$1,936,368	$1,821,693

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

8. SERIAL DEBENTURES PAYABLE - WATER AND SEWERAGE CAPITAL FUND

Purpose

a) Water, Sewerage Services, Fire Station, Tractor, Truck, Arena, Electricity, Water and Sewerage, Processing Plant and Pollution Project

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1967	7 %	10/16/86	2,237.40		
		10/16/87	2,237.40	$ 4,475	$ 6,611

Purpose

b) Water and Sewerage Services, Land for Industrial Park, General Public Works, Street Paving, Land and Truck (A portion of this debenture was cancelled and replaced by one certificate on October 15, 1981 for $50,625)

1962	8 1/2%	10/15/86	3,437.50		
		10/15/87	4,375.00		
		10/15/88	4,375.00		
		10/15/89	4,687.50		
		10/15/90	3,125.00	20,000	23,437

Purpose

c) Certificate issued on October 15, 1981

1981	8 1/2%	10/15/86	3,750.00		
		10/15/87	3,437.50		
		10/15/88	4,375.00		
		10/15/89	4,687.50		
		10/15/90	7,187.50		
		10/15/91	10,937.50		
		10/15/92	11,875.00	46,250	49,688

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

8. SERIAL DEBENTURES PAYABLE - WATER AND SEWERAGE CAPITAL FUND (Continued...)

Purpose

d) General, Public Works, Water and Sewerage, General Equipment (A portion of this debenture was cancelled and replaced by one certificate on October 1, 1981 for $51,710.40)

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1975	9 1/2%	04/01/86	2,394.00		
		04/01/87	2,394.00		
		04/01/92	718.20		
		04/01/94	2,154.60	7,661	11,252

Purpose

e) Certificate issued on October 1,1981

1981	9 1/2%	04/01/86	1,675.80		
		04/01/87	1,915.20		
		04/01/88	4,788.00		
		04/01/89	5,266.80		
		04/01/90	5,745.60		
		04/01/91	5,985.00		
		04/01/92	5,985.00		
		04/01/93	7,182.00		
		04/01/94	5,506.20		
		04/01/95	7,660.80	51,710	51,710

Purpose

f) Sewerage Collection and Treatment

1975	11%	12/01/86	31,000.00		
		12/01/87	34,000.00		
		12/01/88	37,000.00		
		12/01/89	40,000.00		
		12/01/90	44,000.00	186,000	214,000

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

8. SERIAL DEBENTURES PAYABLE - WATER AND SEWERAGE CAPITAL FUND (Continued...)

Purpose

g) Water and Sewer Extensions

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1977	9 1/4%	10/01/86	12,571.43		
		10/01/87	13,714.29		
	9 3/4%	10/01/88	14,857.15		
		10/01/89	16,380.96		
		10/01/90	17,904.77		
		10/01/91	19,809.53		
		10/01/92	20,190.49	115,428	126,857

Purpose

h) Installing a sewer collector and extension of water and sewerage services (This debenture was issued under one certificate on January 31, 1977 for $31,000)

1977	9 1/2%	01/31/86	4,500.00		
		01/31/87	4,500.00	9,000	13,000

Purpose

i) Installation of sewer collector and extension of water and sewerage serivces (This debenture was issued under one certificate on September 11, 1978 for $44,500)

1978	10%	03/11/86	1,700.00		
		09/11/86	1,800.00		
		03/11/87	1,900.00		
		09/11/87	2,000.00		
		03/11/88	2,100.00		
		09/11/88	2,200.00		
		03/11/89	2,300.00		
		09/11/89	2,400.00		
		03/11/90	2,600.00		
		09/11/90	2,700.00		
		03/11/91	2,800.00		
		09/11/91	2,900.00	27,400	30,600

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

8. SERIAL DEBENTURES PAYABLE - WATER AND SEWERAGE CAPITAL FUND (Continued...)

Purpose

j) Water and sewer extension and water tower (This debenture was issued under one certificate on September 26, 1979 for $181,000)

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1979	11 1/4%	09/26/86	9,842.90		
		09/26/87	10,936.56		
		09/26/88	12,030.20		
		09/26/89	13,670.69		
		09/26/90	14,764.35		
		09/26/91	16,951.66		
		09/26/92	18,592.14		
		09/26/93	20,779.45		
		09/26/94	22,966.74	140,535	149,284

Purpose

k) Engineering structures - water lines and study of the water system (This debenture was issued under one certificate on November 1985 for $53,000)

1985	9%	11/27/86	3,000.00		
	9 1/2%	11/27/87	4,000.00		
	9 3/4%	11/27/88	4,000.00		
	10%	11/27/89	4,000.00		
	10 1/4%	11/27/90	5,000.00		
		11/27/91	5,000.00		
		11/27/92	6,000.00		
	10 1/2%	11/27/93	7,000.00		
		11/27/94	7,000.00		
	10 3/4%	11/27/95	8,000.00	53,000	-
SERIAL DEBENTURES PAYABLE				$ 661,459	$ 676,439

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

9. SERIAL DEBENTURE PAYABLE - ELECTRICITY CAPITAL FUND

Purpose

Water, Sewerage Services, Fire Station, Street Paving, Tractor, Truck, Arena, Electricity, Water and Sewerage, Processing Plant and Pollutin Project

Year of Issue	Rate of Interest	Maturity	Amount Maturing	Amount Outstanding 1985	1984
1967	7%	10/16/86	3,036.00		
		10/16/87	3,036.00		
SERIAL DEBENTURE PAYABLE				$ 6,072	$ 8,970

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

10. LONG TERM DEBTS - WATER AND SEWERAGE CAPITAL FUND

Description of loan

Original loan	$398,840
Forgiveness grant	98,134
Principal (8%)	$300,706

Repayable in 40 semi-annual instalments of $15,192.73 each including principal and interest

PURPOSE OF LOAN - Sewerage collection and treatment

Maturity	Principal Repayment	Interest Payment	Amount Outstanding 1985	1984
06/01/86	6,933.77	8,258.96		
12/01/86	7,211.12	7,981.61		
06/01/87	7,499.56	7,693.17		
12/01/87	7,799.54	7,393.19		
06/01/88	8,111.53	7,081.20		
12/01/88	8,435.99	6,756.74		
06/01/89	8,773.43	6,419.30		
12/01/89	9,124.36	6,068.37		
06/01/90	9,489.34	5,703.39		
12/01/90	9,868.91	5,323.82		
06/01/91	10,263.67	4,929.06		
12/01/91	10,674.21	4,518.52		
06/01/92	11,101.18	4,091.55		
12/01/92	11,545.23	3,647.50		
06/01/93	12,007.04	3,185.69		
12/01/93	12,487.32	2,705.41		
06/01/94	12,986.81	2,205.92		
12/01/94	13,506.29	1,686.44		
06/01/95	14,046.54	1,146.19		
12/01/95	14,608.27	584.33	$ 206,473	$ 219,551

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

10. LONG TERM DEBTS - WATER AND SEWERAGE CAPITAL FUND (Continued...)

Description of loan

Original loan	$333,333
Forgiveness grant	79,970
Principal	$253,363

Repayable in 20 annual instalments of $24,144 each including principal and interest

PURPOSE OF LOAN - Sewerage collection and treatment

Maturity	Principal Repayment	Interest Payment	Amount Outstanding 1985	1984
05/01/86	12,133.90	12,009.99		
05/01/87	12,998.14	11,145.75		
05/01/88	13,923.93	10,219.96		
05/01/89	14,915.66	9,228.23		
05/01/90	15,978.03	8,165.86		
05/01/91	17,116.06	7,027.83		
05/01/92	18,335.15	5,808.74		
05/01/93	19,641.08	4,502.81		
05/01/94	21,040.01	3,103.88		
05/01/95	22,538.49	1,605.30	168,620	179,947
LONG TERM DEBTS OUTSTANDING			$ 375,093	$ 399,498

TOWN OF GRAND FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1985

11. SURETY BOND

We have examined the bond certificate and set out hereunder the particulars thereof:

Title of Office	Coverage	Expiry Date
Manager	$ 15,000	May 24, 1986
Clerk - Treasurer	35,000	May 24, 1986
All employees	5,000	May 24, 1986

12. FIRE INSURANCE

We have examined the fire insurance policies on Town properties which are summarized hereunder:

Properties	Coverage (Building and Content)	Expiry Date
Fire hall	$ 225,000	March 20, 1986
Town hall and jail	210,000	March 20, 1986
Town garage	155,000	March 20, 1986
Other buildings	54,000	March 20, 1986
Arena	800,000	March 20, 1986
Sanitation and pollution equipment	335,000	March 20, 1986
Tourist buildings	755,000	March 20, 1986
Signs	35,400	March 20, 1986
Police station	120,000	March 20, 1986
	$2,689,000	

13. CONTINGENCY

The employees' sick leaves being accumulated and payable on their termination of employment, the Town of Grand Falls Inc. as at December 31, 1985 was liable for an accumulated amount of $372,001 which is not reflected in these financial statements.

TOWN OF GRAND FALLS INC.

ADDITIONAL COMMENTS OF AUDITORS
YEAR ENDED DECEMBER 31, 1985

The accompanying revenue and expenditure schedules are presented as supplementary financial information only. In this respect, it does not form part of the financial statements of Town of Grand Falls Inc. for the year ended December 31, 1985 and hence is excluded from the opinion expressed in our report dated March 7, 1986 to the Mayor, Councillors and Minister of Municipal Affairs on such financial statements. The information in these schedules have been subject to audit procedures only to the extent necessary to express an opinion on the financial statements of the municipality and, in our opinion, is fairly presented in all respects material to those financial statements.

Chartered Accountants

TOWN OF GRAND FALLS INC.

GENERAL OPERATING FUND

SUPPLEMENTARY FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
NON-TAX REVENUE		
Province of New Brunswick		
Protective services - fire	$ 21,001	$ 21,000
Transportation services - road and streets	75,094	76,265
Environmental health services - garbage and waste disposal	7,710	7,714
	103,805	104,979
Sale of services		
Recreational and cultural		
Swimming pool	4,951	2,500
Skating rink and arena	39,341	36,100
Parks and playgrounds	10,195	8,000
Tourism project	39,824	44,000
	94,311	90,600
Other revenue from own sources		
Licences and permits		
Business	800	500
Animal	329	100
Building construction	2,876	2,000
Fines	12,533	1,000
Return on investments - interests	13,581	6,000
Miscellaneous	10,939	1,075
	41,058	10,675
Conditional transfers		
Federal - Canada Works		
Environmental development services	40,187	-
Recreational and cultural services	10,852	-
Provincial		-
Transportation services - highways	39,256	-
Environmental services - tourism	1,560	-
	91,855	-
	$ 331,029	$ 206,254

TOWN OF GRAND FALLS INC.

GENERAL OPERATING FUND

SUPPLEMENTARY FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
GENERAL GOVERNMENT SERVICES		
Legislative		
Mayor: personnel	$ 6,068	$ 5,936
Councillors: personnel	21,265	21,412
Other legislative cost	4,752	4,000
Administrative		
Manager: personnel	39,500	39,500
Clerk: personnel	29,821	29,500
Office building	45,333	44,000
Solicitor	6,535	4,500
Other administrative services	12,826	12,100
Financial management		
Administration: personnel	32,513	32,165
External audit fees	13,200	7,000
Other financial management	42,579	37,275
Common services		
Conventions and delegations	430	1,200
Health	-	25
Welfare	728	1,175
Other	7,549	8,101
Other general services	7,072	7,700
	270,171	255,589
PROTECTIVE SERVICES		
Police protection		
Administration: personnel	46,596	45,220
Crime control: personnel	409,987	391,545
Training and development: personnel	1,455	2,500
Station and building	19,863	24,170
Automotive equipment	50,849	53,720
Detention and custody of prisoners	4,596	10,000
Fire protection:		
Administration: personnel	8,547	6,811
Fire fighting force: personnel	24,490	21,210
Fire alarm systems	14,164	7,870
Water cost	69,000	51,000
Training and development: personnel	1,138	1,000
Station and building	38,274	31,550
Fighting equipment	16,738	17,600
Protection inspection		
Animal and pest control		
Personnel	1,466	2,000
Other	269	700
	$ 707,432	$ 666,896

TOWN OF GRAND FALLS INC.

GENERAL OPERATING FUND

SUPPLEMENTARY FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
TRANSPORTATION SERVICES		
Common services		
Administration: personnel	$ 29,140	$ 28,500
General equipment		
Truck purchase	109,023	94,800
Workshops, yards, and other buildings		
Personnel	15,803	25,842
Other	19,911	28,669
Road transport		
Administration: personnel	107,575	105,604
Roads and streets	26,184	37,000
Summer maintenance: personnel	98,365	96,573
Sidewalks	16,362	16,059
Culverts and drainage ditches	10,323	10,145
Street cleaning and flushing	7,736	7,607
Snow and ice removal	25,902	37,193
Other	37,901	32,000
Street lighting	92,881	86,000
Traffic services - street signs	2,981	3,000
	$ 600,087	$ 608,992
ENVIRONMENTAL DEVELOPMENT SERVICES		
Tourism		
Tourist bureau	$ 105,961	$ 77,668
Tourist camps, parks etc.	4,790	11,670
Promotion of tourist attractions	4,808	5,540
Canada Works project	45,879	-
	$ 161,438	$ 94,878
RECREATIONAL AND CULTURAL SERVCICE		
Recreational personnel		
Administration	$ 113,840	$ 111,310
Swimming pools	7,927	12,000
Skating rinks and arenas	100,581	100,900
Parks and playgrounds	11,565	13,500
Other recreation facilities	12,209	10,000
Canada Works project	10,852	-
	$ 256,974	$ 247,710

TOWN OF GRAND FALLS INC.

GENERAL OPERATING FUND

SUPPLEMENTARY FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
FISCAL SERVICES		
Interest on long term debts	$ 197,021	$ 194,088
Principal instalments on sinking fund requirements	185,323	185,323
	$ 382,344	$ 379,411

TOWN OF GRAND FALLS INC.

WATER AND SEWERAGE OPERATING FUND

SUPPLEMENTARY FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
SALE OF SERVICES		
Sale of water		
Residential	$ 186,681	$ 190,353
Commercial	22,224	22,616
Institutional	13,334	13,193
Sewerage rates		
Residential	93,341	93,756
Commercial	11,112	11,139
Institutional	6,667	6,498
Other	5,600	3,000
	$ 338,959	$ 340,555
OTHER REVENUE FROM OWN SOURCES		
Return on investments - interests	$ -	$ 1,500
Surcharge and interests	9,220	2,000
Own funds		
Water supply for fire protection	51,000	51,000
Other	18,000	-
	$ 78,220	$ 54,500
CONDITIONAL TRANSFERS		
Environment New Brunswick	$ 91,038	$ 91,038
Stimulation grant 1975	10,383	11,391
	$ 101,421	$ 102,429

COMPTABLES AGRÉÉS

TOWN OF GRAND FALLS INC.

WATER AND SEWERAGE OPERATING FUND

SUPPLEMENTARY FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 1985

	Actual	Budget
ENVIRONMENTAL HEALTH SERVICES		
Water supply		
Administration and general	$ 58,564	$ 46,080
Power and pumping	118,177	84,900
Billing and collection	8,364	7,500
Other	3,253	12,400
	$ 188,358	$ 150,880
Sewerage collection and disposal		
Administration	$ 49,233	$ 48,450
Sewerage collection system	60,004	56,300
	$ 109,237	$ 104,750
FISCAL SERVICES		
Water system debt charge		
Interest on long term debt	$ 36,780	$ 47,600
Principal instalments	42,500	40,780
Other water debt charges	11,205	11,391
	$ 90,485	$ 99,771
Sewerage system debt charge		
Interest on long term debt	$ 56,668	$ 56,580
Principal instalments	55,605	55,605
	$ 112,273	$ 112,185